

## **CARBON SEQUESTRATION PROJECT ADDENDUM**

### **Addition of Two Pilot Sites in Kerman (Shahdad) and Tehran (Mallard) Using National Resources and with Start-Up UNDP Assistance**

The Islamic Republic of Iran is among the countries most affected by desertification and has made the rehabilitation of degraded lands a top priority. The Carbon Sequestration project was designed in 2004 (Phase I) to demonstrate that desertified rangelands can be cost-effectively reclaimed by, and for the benefit of local people and that there is significant potential to sequester carbon in plants and soil in these areas for overall global benefit. The project uses participatory approaches to mobilize stakeholder communities and empower them to do rehabilitation work on their own.

The projects' achievements have well indicated local capacity building, women and men empowerment, small enterprise generation and participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. The project methods ability in ensuring that people, particularly women, are fully involved with and collaborate in the sustainable management of natural resources has been highlighted as a major achievement.

Following such outcomes, both Forest, Range and Watershed Management Organization (FRWO) and United Nations Development Programme (UNDP) have now agreed to further strengthen institutional capacities for this approach, replicate the methods and mechanisms in other areas and also work towards scaling-up the methods and outcomes of the project into national level medium term and long term planning. Initial discussions and assessment have indicated Government intention of replication in two new sites, Kerman and Tehran Provinces, and the formal request for UNDP support to the start up of these new sites. The Governor Generals of the two Provinces have also indicated their intention to support with funding and assistance (and a visit in December 2011 by the UNDP Resident Representative to Kerman confirmed that).

This Addendum to the Project Document intends to specify UNDP support for the replication process in the two new provincial sites.

#### **Project Background**

The Carbon Sequestration project has been successful in establishing and demonstrating a model for community-based approaches to natural resource management. The Phase I project achievements well indicated local capacity building, women and men empowerment, small enterprise generation and participation of local villagers in cost-efficient rehabilitation and management of degraded rangelands. While Phase II achievements (through replication in an expanded project area - now encompassing 39 villages, 1,519 households, and a population of 6,735) also strengthened the projects achievements in ensuring that



people, particularly women, are fully involved with and collaborate in the sustainable management of natural resources.

The specific social mobilization and micro-credit mechanisms employed by the project, including the Village Development Group (VDG) network and revolving micro-credit/saving schemes, have shown significant robustness, versatility and impact. Likewise, the participatory and collaborative rehabilitation of rangelands has proved effective and cost-efficient. Major achievements of the project have included:

- Significant progress in establishing the Village Development Groups, thus achieving ownership and buy-in from the local communities: 60 VDGs, including 16 for men, 11 for women and 33 mixed-gender groups. Out of over 1,000 VDG members, nearly 50% are women;
- A set of micro-credit/saving schemes at VDG level that have funded 740 loans for income generation and support to ongoing production. The scheme has been a valuable tool for community mobilization and income generation;
- Local communities have been mobilized to take part in all stages of rehabilitation activities such as site and species selection, plantation and protection and also collection of seeds from various local species needed for the next year's planting. This has led to the participatory rehabilitation and conservation of 13,572 ha of degraded areas;
- Nearly 81% reduction in the consumption of fuel-wood by local communities as a result of the introduction of new sources of energy.
- Enhanced vocational skills among local inhabitants, particularly women; and
- 130 small business initiatives that contribute to improved livelihoods at the village level.
- Prepare Village Sustainable Development Plans by villagers and members of VDGs.
- Development of a strategy and 4 business plans for enhancement and marketing of rural products.

### **Phase III – Replication in New Provinces**

Raising awareness at district, provincial and national levels regarding the potential of partnership with local communities to restore, protect and develop the natural resources base is crucial for sustainable development. The new understanding by Government (through a recent Cabinet ratification) on further expanding the successful Carbon Sequestration methods and mechanisms is very positive. Specifically, two new select sites in the provinces of Kerman and Tehran have been chosen which provides the potential for realising the basis for collaborative and integrated resources management approaches in the country.



Increased institutional strengthening of FRWO and Provincial Governorate organisations through replication of methods is the main objective of this Phase III, followed by actions to ensure up-scaling at the national medium term planning level (e.g. at Strategic Planning and Control and Ministry of Jihad Agriculture). UNDP and FRWO have now agreed on this and the latter has assured UNDP of the mobilization of national and provincial co-funding resources for this purpose.

Once questions of scale and scope for the new programme are clarified, UNDP will further examine activities and financial sustainability issues. The role of UNDP will add value in securing the following:

- Provision of technical support through international consultancy missions in areas that are considered beyond FRWO's traditional technical strengths;
- UNDP will share international good practices to test innovative approaches (e.g. services through UNDP's Drylands Center and knowledge networks);
- Provision of an international platform, and possibilities for South-South Cooperation (to mobilize additional partnerships); and
- Support FRWO in engaging more in socio-economic development of the country (beyond its traditional mandate).

UNDP's role will catalyse the diffusion of participatory approaches to rangeland rehabilitation and desertification as well as better establish and articulate the nexus between environmental rehabilitation and poverty reduction. It would also indirectly contribute to Iran's efforts to implement the United Nations Convention to Combat Desertification (UNCCD).

UNDP will thereby support the two sites by providing start up preliminary assistance funding – currently estimate at about \$75,000. A preparatory assistance approach will be undertaken (as this Addendum) in order to gather base-line information, identify most appropriate rehabilitation site(s), assess capacity of local stakeholders, and advocate to raise awareness and build consensus in the two new sites. Activities will also be undertaken to: i) produce a new project document for accessing GEF funding and ii) for programming for upscaling towards national level adoption. It is anticipated that such initial support actions will be undertaken in 2012 (and perhaps into 2013). The current project management team will be involved in the process.

#### **Management and Funding Arrangements**

The implementation modality will continue to be National Implementation (NIM) as in the project document.

The FRWO has informed UNDP that both Kerman and Tehran Governorate are allocating about 4.2 billion toman (about \$3.5 mill) for replicating the Carbon Sequestration project in Shahdad (Kerman) and Malard (Tehran) - for full size



implementation in the two areas. FRWO itself will also be providing resources of at least \$75,000 for the two sites.

The Government of Iran (through FRWO and the Provincial Governor Generals) will sign this Addendum for the resources indicated in the RRF below. UNDP's funding arrangement for Cost Sharing may also be utilised as necessary for management of the new funds.

### Results and Resource Framework (RRF) : 2012 – 2014

Expected Results 2012	Activities	Budget UNDP US\$	Budget Government 10000 Rials		Responsible Party	Time line
			Kerman	Tehran		
Finalize Addendum	Finalize addendum process Sign Addendum with Governor Generals and FRWO	\$500			FRWO & UNDP	Early January 2012
Baseline survey and programming	Recruit and field two local consultants (2p/m) to collect baseline information for the selected new sites Existing situation report based on baseline information Recruit and field two local consultants (2p/m) Project strategy document produced for each site	\$12,000	110000	80000	FRWO & UNDP	Q1 – 2012
Capacity development support to implementation	Orientation and log frame workshops with participation of local and national stakeholders (lump sum – 3 workshops)		30000	10000	UNDP	Q2 - 2012
Produce new project document (for accessing GEF resources).	Process to prepare PIF document Recruit and field international consultant Reach final agreement on co-funding arrangements	\$42,000	180000	100000	FRWO & UNDP, international consultant	Initiated January 2012,
Initiate up-scaling programming work	Recruit one local consultant (2p/m) Produce national programme strategy document	\$6,000	25000	5000	FRWO & UNDP	Q4
Empowerment Meetings			550	30000	FRWO & UNDP	Q1 – Q4
M&E	Undertake monitoring of new site actions and outcomes Local Education and Extension (2 sites)	\$3,000	3000	2000	UNDP	Q1 – Q4
District Capacity Development			5000	3000	FRWO (and Local Gov)	Q1 – Q4
Planning and Budgeting	District Level (Governorate) Planning and Budgeting (2 sites)		10000	7000	FRWO (and Local Gov)	Q1 – Q4
Local Community Development	Community Mobilization and Action (2 sites)		5000	3000	FRWO (and Local Gov)	Q1 – Q4
Micro-Credit	Micro-Credit (2 sites)		70000	35000	FRWO (and Local Gov)	Q1 – Q4
Management and			200000	100,000	FRWO	Q1 – Q4





M&E								(and Local Gov)	
Project Activities	Implementation Activities (TBD)					760000	100000	FRWO	Q1 - Q4
	Using Renewable Energy (TBD)					40000	20000	(and Local Gov)	
	Documentation and Reporting			\$5,000		7000	5000		
<b>Total 2012 (Gov)</b>					<b>1600000</b>	<b>500000</b>			
<b>Total 2012 (UNDP)</b>				<b>\$68,600</b>					
<b>Expected Results 2013</b>	<b>Activities</b>			<b>Budget UNDP US\$</b>		<b>Budget Government 10000 Rials</b>		<b>Responsible Party</b>	<b>Time line</b>
UNDP M&E	Undertake monitoring of new site activities and outcomes			\$3,000	3000	2000	UNDP		Q1 - Q4
District Capacity Development	Local Education and Extension (2 sites)				5000	3000	FRWO (and Local Gov)		Q1 - Q4
Planning and Budgeting	District Level (Governorate) Planning and Budgeting (2 sites)				10000	7000	FRWO (and Local Gov)		Q1 - Q4
Local Community Development	Community Mobilization and Action (2 sites)				5000	3000	FRWO (and Local Gov)		Q1 - Q4
Micro-Credit	Micro-Credit (2 sites)				70000	35,000	FRWO (and Local Gov)		Q1 - Q4
Management and M&E					200000	100,000	FRWO (and Local Gov)		Q1 - Q4
Project Activities	Implementation Activities (TBD)				760000	100000	FRWO		Q1 - Q4
	New Energy (TBD)				40000	20000	(and Local Gov)		
	Documentation and Reporting				7000	5000			
<b>Total 2013 (Gov)</b>					<b>820000</b>	<b>276000</b>			
<b>Total 2013 (UNDP)</b>				<b>\$3,000</b>					
<b>Expected Results 2014</b>	<b>Activities</b>			<b>Budget UNDP US\$</b>		<b>Budget Government 10000 Rial</b>		<b>Responsible Party</b>	<b>Time line</b>
UNDP M&E	Undertake monitoring of new site actions and outcomes			\$3,000	3000	2000	UNDP		Q1 - Q4
District Capacity Development	Local Education and Extension (2 sites)				5000	3000	FRWO (and Local Gov)		Q1 - Q4
	Action Research Strengthening					100,000	FRWO (and Local Gov)		Q1 - Q4



					Local Gov)	Q1 - Q4
Planning and Budgeting	District Level (Governorate) Planning and Budgeting (2 sites)		10000	7000	FRWO (and Local Gov)	Q1 - Q4
Local Community Development	Community Mobilization and Action (2 sites)		5000	3000	FRWO (and Local Gov)	Q1 - Q4
Micro-Credit	Micro-Credit (2 sites)		70000	35,000	FRWO (and Local Gov)	Q1 - Q4
Management and M&E			200000	100,000	FRWO (and Local Gov)	Q1 - Q4
Project Activities	Implementation Activities (TBD)		750000	100000	FRWO (and Local Gov)	Q1 - Q4
	New Energy (TBD)		40000	20000		
	Documentation and Reporting		7000	5000		
Total 2014 (Gov)			820000	275000		
Total 2014 (UNDP)		\$3,000				
<b>TOTAL 2012-2014</b>		<b>\$74,500</b>	<b>3,140,000</b>	<b>1,050,000</b>		



Signature Section

Other provisions set forth in the initial project document such as management arrangements; M&E; audit; and legal context remain with no changes.

Date: 12 March 2012 – 22 Esfand 1390



H.E. Mr. Tamadon  
Governor General  
Tehran Province



H.E. Mr. Najjar  
Governor General  
Kerman Province



H.E. Ms. Consuelo Vidal  
United Nations Development Programme (UNDP)  
Resident Representative

H.E. Mr. Alireza Owrangi  
Forest, Range & Watershed Management Organization (FRWO)  
Deputy Minister of Jihad Agriculture and  
Head of FRWO





### Annex I: Proposed Pilot Sites in Kerman and Tehran Provinces

*Shahdad* is the proposed project site in Kerman province and is located at the periphery of the largest desert in the country, Dasht-e Lute. The site is considered to be a potential important eco-tourism destination and is every geomorphologist's dream to visit. Preliminary demographic information reveals a 50-50 proportion of male/female. The young population of under 20 is large and are mostly permanent settlers.

The project site begins from the western border of the "Kulut" and stretches to the west covering 125,000 hectares, and is approximately 100 kilometers to the east of Kerman city. The site is part of Shahdad District and includes 2 out of 3 village clusters in the district as follows: i) Anduh Jerd village cluster which comprises 21 villages and 6,500 inhabitants (with main problem being wind erosion due to its proximity to the Lute Desert) and ii) Takab village cluster which comprises 7 villages and 11,000 inhabitants (while population density is higher here due its longer distance from Lute Desert). The primary products in the area are dates and citrus fruits; along with vegetables, garlic and alfalfa (and recently, a tendency to cultivate henna has also been observed). Handicrafts are also produced in the area and mainly consists of weaving of rugs, kelims and straw mats made of palm leaves. In view of scarcity of water in this part of the country, an important potential in the area is the existence of Ghanats (underground water streams), though privately owned.

*Malard* is the proposed site in Tehran province situated near Karaj, and enjoys good soil and ecological characteristics. The proposed site covers an area of 40,000 hectares and includes 54 villages (2 village clusters). The livelihood of the inhabitants is mostly livestock; currently about 56,200 units of livestock in the area. As a result, agriculture and orchards are disappearing and rangelands are being degraded. The data shows 17 villages in the area, 900 families and 4000 inhabitants. Primary products are wheat, corn, alfalfa, barley and of late saffron.

FRWO's intends to encourage plantation of endemic vegetation and rehabilitation of agricultural activities by promoting and rehabilitating activities that contribute to the sustainability of rangelands, such as; handicraft and use of efficient irrigation systems to rehabilitate orchards.

An FRWO managed support station already exists in this area that can be used for the CS project. Although it needs to be refurbished, it provides minimum infrastructure such as electricity, water wells, etc.

